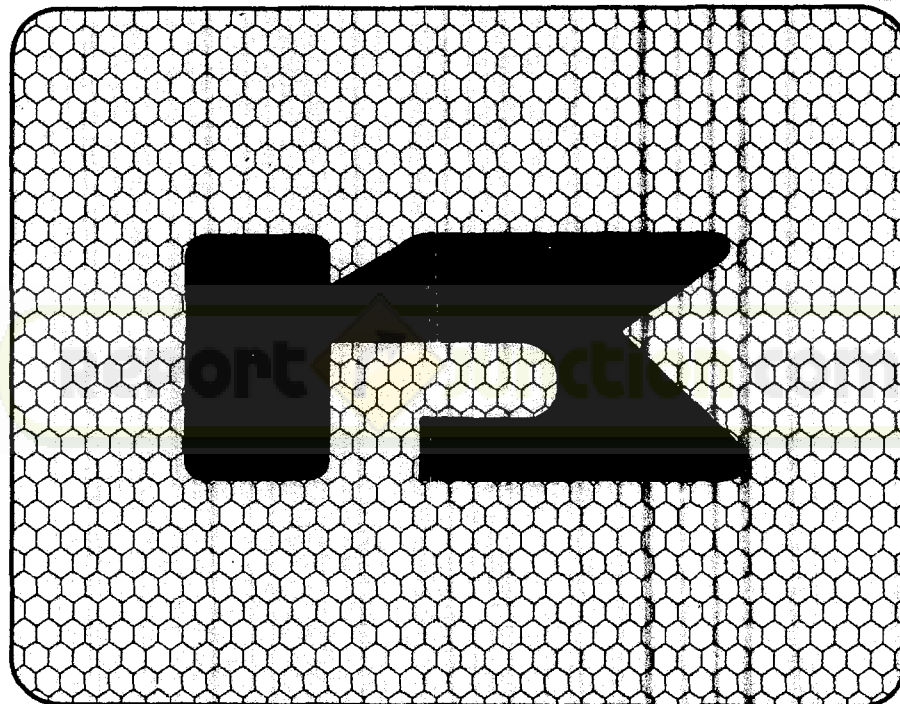


27th Annual Report

1997-98

MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	NA	DPY	NA
RO	<input checked="" type="checkbox"/>	DIV	NA
TRA	NA	AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	SHH	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



**KANPUR
PLASTIPACK LTD.**

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KANPUR PLASTIPACK LIMITED

BOARD OF DIRECTORS

Shri M. S. AGARWAL, *Chairman & Managing Director*

Shri MANOJ AGARWAL, *Executive Director (Tech.)*

Shri A. K. BHATNAGAR, *Director (Operations)*

Shri S. N. SHARMA, *Nominee Director - BIFR*

Shri AVNISH KUNDEL, *Nominee Director - PICUP*

Shri B. L. MANCHANDA

Smt. SANTOSH AGARWAL

Shri P. K. GOENKA

AUDITORS

M/s. PANDEY & COMPANY

Chartered Accountants,

KANPUR.

CORPORATE LAW ADVISORS

M/s. ADESH TANDON & ASSOCIATES

Company Secretaries,

KANPUR.

BANKERS

STATE BANK OF INDIA

REGISTERED OFFICE & WORKS

D-19-20, PANKI INDUSTRIAL AREA,

KANPUR-208 022

TWENTYSEVENTH ANNUAL REPORT

NOTICE

NOTICE is hereby given that TWENTY SEVENTH ANNUAL GENERAL MEETING OF KANPUR PLASTIPACK LIMITED, will be held at the Registered Office of the Company at D-19-20, Panki Industrial Area, Kanpur-22 on Monday, the 31st August, 1998 at 3.30 p.m. to transact the following business :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31st March, 1998 and the Reports of Auditors and Directors thereon;
2. To appoint a Director in place of Shri Manoj Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Pradeep Goenka, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

5. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION :-

"RESOLVED that Shri Avnish Kundel, nominee of PICUP who had been appointed as Additional Director by the Board of Directors of the Company at its meeting held on 16.4.98 to hold office upto the date of the 27th Annual General Meeting of the Company, the Company having received notice u/s 257 of the Companies Act, 1956 from a member communicating his intention to propose the name of Shri Avnish Kundel as a candidate for the office of Director and the member has also deposited alongwith the notice, the prescribed amount of Rs. 500/- (Rupees Five Hundred), be and is hereby appointed as Director of the Company."

6. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as a SPECIAL RESOLUTION :

"RESOLVED that subject to the provisions of Sections 198, 269 & 309 read with Schedule XIII as amended and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the re-appointment of Shri M. S. Agarwal as Chairman & Managing Director of the Company on the terms and conditions contained hereinbelow for a period of 5 years w.e.f. 1st September, 1998 :-

- | | | |
|------------------|---|---|
| I. SALARY | : | Rs. 32,000 - 2500 - 42000 per month |
| II. COMMISSION | : | NIL |
| III. PERQUISITES | : | Perquisites may be allowed in addition to salary. This shall be restricted to an amount equal to the annual salary, however subject to an overall ceiling as mentioned hereinafter. |

Category - 'A'

i) Housing :

The expenditure incurred by the Company on hiring unfurnished accommodation shall be subject to a ceiling of fifty percent of the salary over and above ten percent payable by Shri M. S. Agarwal.

In case no accommodation is provided by the Company, the Company shall pay house rent allowance to the extent of fifty percent of salary to Shri M. S. Agarwal.

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962, subject to a ceiling of 10% of the salary.

ii) Medical Reimbursement / Medical Insurance :

Reimbursement of actual medical expenses incurred for self and family in India and / or abroad including hospitalisation, subject to a ceiling of one month's salary in a year.

In addition, the Company will reimburse him towards Medical Insurance Premium, the amount of which shall not exceed Rs. 10,000/- per annum.

iii) Leave Travel Concession

For self and family, once in a year subject to a ceiling of one month's salary.

KANPUR PLASTIPACK LIMITED
iv) *Club Fees :*

Fees of club subject to maximum of two clubs. No admission and life membership fee will be paid.

v) *Personal Accident Insurance :*

Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs. 4,000/-.

Category - 'B'

i) Company's contribution towards Provident Fund as per the Rules of the Company but not exceeding limits as prescribed under the Government regulations from time to time.

ii) Company's contribution towards Superannuation Fund as per the rules of the Company, but it shall not, together with the Company's contribution to Provident Fund, exceed 25% of the salary. Contribution to Provident Fund and Superannuation Fund shall not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act.

iii) Gratuity as per the rules of the Company but shall not exceed half month's salary for each completed year of service.

iv) Encashment of Leave at the end of tenure will not be included in the computation of the ceiling on perquisites.

Category - 'C'

Car with driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company."

"FURTHER RESOLVED that in the event of absence or inadequacy of profits in any financial year, the remuneration payable to Shri M. S. Agarwal by way of salary, allowances, and perquisites, shall not exceed the maximum limit as prescribed under Schedule XIII of the Companies Act, 1956."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a SPECIAL RESOLUTION :

"RESOLVED that subject to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to re-appointment of Shri Manoj Agarwal as Executive Director of the Company on the terms and conditions as contained hereinbelow for a period of 5 years w.e.f. 1st September, 1998 :-

I. SALARY : Rs. 27,000 - 2,000 - 35,000 per month

II. COMMISSION : NIL

III PERQUISITES : Perquisites may be allowed in addition to salary. This shall be restricted to an amount equal to the annual salary, however subject to an overall ceiling as mentioned hereinafter."

Category - 'A'i) *Housing :*

The expenditure incurred by the Company on hiring of unfurnished accommodation shall be subject to a ceiling of fifty percent of the salary, over and above ten percent payable by Shri Manoj Agarwal.

In case no accommodation is provided by the Company, the Company shall pay house rent allowance to the extent of fifty percent of salary to Shri Manoj Agarwal.

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income Tax Rules, 1962, subject to a ceiling of 10% of the salary of Shri Manoj Agarwal.

ii) *Medical Reimbursement / Medical Insurance :*

Reimbursement of actual medical expenses incurred for self and family in India and/or abroad including hospitalisation, subject to a ceiling of one month's salary in a year.

In addition, the Company will reimburse him towards Medical Insurance Premium, the amount of which shall not exceed Rs. 10,000/- per annum.

iii) *Leave Travel Concession :*

For self and family, once in a year subject to a ceiling of one month's salary.

iv) *Club Fees :*

Fees of club subject to maximum of two clubs. No admission and life membership fee will be paid.

v) *Personal Accident Insurance :*

Personal Accident Insurance of an amount, the annual premium of which shall not exceed Rs. 4,000/-.

Category - 'B'

i) Company's contribution towards Provident Fund as per the Rules of the Company but not exceeding limits as prescribed under the Government regulations from time to time.

TWENTYSEVENTH ANNUAL REPORT

- ii) Company's contribution towards Superannuation Fund as per the Rules of the Company but it shall not, together with the Company's contribution to Provident Fund, exceed 25% of the salary. Contribution to Provident Fund and Superannuation Fund shall not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act.
- iii) Gratuity as per the rules of the Company but shall not exceed half month's salary for each completed year of service.
- iv) Encashment of Leave at the end of tenure will not be included in the computation of the ceiling on perquisites.

Category - 'C'

Car with driver for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company."

"FURTHER RESOLVED that in the event of absence or inadequacy of profits in any financial year, the remuneration payable to Shri Manoj Agarwal by way of salary, allowances, and perquisites, shall not exceed the maximum limit as prescribed under Schedule XIII of the Companies Act, 1956."

8. To consider and, if thought fit, to pass, with or without modification(s), the following as a SPECIAL RESOLUTION :

"RESOLVED that pursuant to provisions of Section 31 of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered by the addition of a new Article 3A after Article 3 as follows :

- 3A. Notwithstanding anything contained in the preceding Article 3, but subject to the provisions of the Companies Act, 1956 and all other applicable provisions of the law, as may be in force from time to time, the Company may acquire, purchase, hold, re-sell, re-allot any of its own fully/partially paid up shares and may make payment out of funds at its disposal for and in respect of such acquisition/purchase on such terms and conditions and at such times as the Board may in its discretion decide and deem fit."

9. To consider and, if thought fit, to pass, with or without modification(s), the following as a SPECIAL RESOLUTION :

"RESOLVED that subject to all applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board") :

- a) The consent of the Company be and is hereby accorded to buy back equity shares of the face value of Rs. 10/- each of the Company within a period of 15 months from the date of passing of this resolution or within 12 months of the enabling provisions being included in the statute, whichever is later.
- b) The Board be and is hereby authorised to decide the exact quantity of shares to be bought, the rate, mode and other terms and conditions relating to such buy-back and do all such acts and to settle all questions and matters arising out of and incidental to such buy-back, provided that the amount which will be invested by the Company in such buy-back shall not exceed Rs. 100 lacs in the aggregate."
10. To consider and, if thought fit, to pass, with or without modification(s), the following as a SPECIAL RESOLUTION :

"RESOLVED that pursuant to the provisions of Section 31 of the Companies Act, 1956, the Article 94 of the Articles of Association of the Company be and is hereby substituted as follows :

Directors Fees, Remunerations & Expenses

Each Director shall be entitled to receive out of the funds of the Company for attending meetings of the Board or any of those adjourned, sitting fees for each meeting of the Board or committee respectively attended by him, a sum not exceeding such amount as prescribed in the Companies Act, 1956 from time to time in addition to travelling expenses actually incurred or such smaller sum as may be determined by the Board."

By order of the Board of Directors
KANPUR PLASTIPACK LIMITED

Registered Office :
D-19-20, Panki Indl. Area,
Kanpur-208 022
29th June, 1998

M. S. AGARWAL
Chairman & Managing Director

KANPUR PLASTIPACK LIMITED
NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing proxy must be deposited at the Regd. Office of the Company not less than 48 hours before the time fixed for holding the meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 18.8.98 to 31.8.98 (both days inclusive).
4. Members who have multiple folios with identical order of names are requested to intimate to the Company those folios to enable the Company to consolidate all shareholdings into one Folio.
5. Members having any queries relating to this Annual Report are requested to send their questions to Registered Office of the Company atleast 7 days before the date of Annual General Meeting.
6. Members are requested to notify promptly changes in their address to the Company quoting their Registered Folio Nos.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2)
OF THE COMPANIES ACT, 1956**

The following informations are supplementary to the NOTICE convening the 27th Annual General Meeting of the Company to be held on 31st August, 1998 at 3.30 p.m. and are being given as required under Section 173(2) of the Companies Act, 1956 :-

Item No. 5 :

Mr. Avnish Kundel, nominee of PICUP was appointed as Additional Director of the Company by the Board of Directors in its meeting held on 16th April, 1998 to hold office upto the date of 27th Annual General Meeting of the Company. The Company has received a notice u/s 257 of the Companies Act, 1956 alongwith deposit of Rs. 500/- from a member of the Company communicating his intention to propose the name of Mr. Avnish Kundel as a candidate for the office of Director.

None of the directors, except Mr. Avnish Kundel, is concerned or interested in this resolution.

Item No. 6 :

Mr. M. S. Agarwal was appointed as Managing Director of the Company u/s 198, 269 & 309 of the Companies Act, 1956 w.e.f. 1.9.93 for a period of five years with the approval of Central Government and his tenure is expiring on 31.8.98. He has been re-appointed, as Chairman & Managing Director of the Company for a further period of five years w.e.f. 1.9.98 by the Board of Directors at its meeting held on 29th June, 1998 subject to your approval at the terms & conditions as contained in the resolution. Shri M. S. Agarwal has been instrumental in turning around the performance of the Company and his continued services will be beneficial to the Company. The Board, therefore, recommends the proposed resolution for your approval.

None of the Directors, except Mr. M. S. Agarwal himself and Mr. Manoj Agarwal and Mrs. Santosh Agarwal being relatives, are concerned or interested in this resolution.

Item No. 7 :

Mr. Manoj Agarwal was appointed as Executive Director (Tech.) of the Company for a period of 5 years from 1st Sept., 1993 under Sections 198, 269 and 309 of the Companies Act, 1956 with the approval of Central Government and his tenure is expiring on 31.8.1998. The Board of Directors of the Company has re-appointed him subject to your approval, at its meeting held on 29th June, 1998 as Executive Director of the Company for a further period of 5 years w.e.f. 1st September, 1998 as per the terms and conditions as contained in the resolution. Mr. Manoj Agarwal has been the main guiding factor in development of a vast export market and his continued services will be in the interest of the Company. The Board, therefore, recommends the proposed resolution for your approval.

None of the Directors, except Mr. Manoj Agarwal himself and Mr. M. S. Agarwal and Mrs. Santosh Agarwal being relatives, are interested or concerned in this resolution.

Item Nos. 8 & 9 :

Article 3 of the Articles of Association prohibits the Company from applying any of its funds for the purchase of any shares of the Company except for purposes authorised under Section 77 of the Act. The proposed Companies Bill provides for the buy-back of shares under certain circumstances. In anticipation of the Bill becoming an Act,

TWENTYSEVENTH ANNUAL REPORT

it is proposed to consider the introduction of a new Article 3A in the Articles of Association of the Company as mentioned in the resolution set out at item No. 8 of the notice to authorise the Board to undertake the buy-back of shares as detailed in resolution No. 9.

Your Directors are of the opinion that the buy-back of shares by the Company would provide the Company an excellent risk free opportunity of deploying available funds advantageously, reduce the cost of servicing the share capital of the Company and increase the underlying values of the shares of the Company. The buy-back will be financed from out of the free reserves or share premium amount and/or profits available subject to applicable guidelines from time to time and necessary approvals.

The said Articles of Association are kept available for inspection by the members during the business hours at the Registered Office of the Company till the Annual General Meeting of the Company.

The Directors recommend the resolutions as set out in items 8 and 9 to be adopted.

None of the Directors are concerned or interested in the passing of the special resolution except to the extent of the shares held by them which, if bought back by the Company.

Item No. 10 :

Article 94 of the existing Articles of Association of the Company permits the Company to pay sitting fee, of sum not exceeding Rs. 500/- in addition to travelling expenses actually incurred or such smaller sum as may be determined by the Board, to each director for attending Board Meeting or committee of Directors or adjourned thereof and the Board recommends such amendment in the Articles of Association to bring the Articles in consonance of the Companies Act, 1956 (as amended).

The said Articles of Association are kept available for the inspection during the business hours by the members at the Registered Office of the Company till the Annual General Meeting.

None of the directors are concerned or interested in this special resolution except Mr. Avnish Kundel, Mr. B. L. Manchanda, Mr. S. N. Sharma, Mrs. Santosh Agarwal and Mr. Pradeep Goenka entitled to sitting fees.

Registered Office :
D-19-20, Panki Indl. Area,
Kanpur-208 022
29th June, 1998

By order of the Board of Directors
KANPUR PLASTIPACK LIMITED

M. S. AGARWAL
Chairman & Managing Director